

## **BERNALILLO COUNTY HOUSING DEPARTMENT LEASE/PURCHASE PROGRAM GUIDELINES**

1. This program is the first and only program in New Mexico that collaborates a Government Agency with Fannie Mae and Suburban Mortgage to provide a Lease/Purchase program.
2. Fannie Mae has provided \$3 million dollars to be used by Bernalillo County residents who wish to participate in this program.
3. Individuals wishing to participate in this program must be at 80% and below the Area Median Income for Bernalillo County. (For example a family of 4 could not make more than \$43,350/year)
4. Participation in the program will be from 6 months to 3 years, depending on individual circumstances. Anyone who can fix his/her credit before the 6 months will actually be able to purchase on his/her own, without this program.
5. Individuals/families will have to attend homeownership counseling classes where the extent of their debt issues will determine whether they will qualify to become credit worthy within the 3-year period. On going counseling will assist families to insure that they meet their payment obligations in order to successfully complete the purchase of the home within the 3-year lease period.
6. If the family is unable to fix their credit within the 3 years, they will be terminated from the program.
7. An orientation of the Lease/Purchase contract will be given once the family has completed their counseling obligations and have been approved by the Approval Committee to insure the family understands their family obligations for this program.

### **The Application Process will be as follows:**

- a. Complete Application Submitted.
- b. Records Release Form signed by everyone over the age of 18 who will live in the household.
- c. Copy of PNM Bill, Lease or Notarized statement from family member verifying individual is living with them and is a current Bernalillo County Resident.
- d. When applications are turned in, a criminal background check will be done on everyone over the age of 18.
- e. Once background check has been completed and approved, a referral letter will be sent to Neighborhood Housing Services or HOME New Mexico with a copy of the application. At the same time, a letter will be sent to the family advising them that they have been referred to NHS or HOME New Mexico with the phone number that they must contact them to begin the approval process. **Applications will not be time stamped until homebuyers training and approval from the Lease/Purchase Approval Committee are completed.)**
- f. Once the family/individual has completed the application process of counseling and financial qualifications, BCHD will schedule an appointment with the family to go-over the Lease/Purchase Contract.

- g. Once the Contract has been explained, BCHD will authorize the family to begin the search for a home and will provide the family with a list of realtors who can help them find their dream home.
- h. Families will contact BCHD with the address of the home they wish to purchase and provide a copy of the unsigned Purchase agreement and any addendums. The property will have to pass two inspections; an HQS that targets safety related issues and the typical FHA inspection that targets structural, electrical, plumbing and mechanical systems before BCHD will approve the purchase.
- i. Once these inspections have been completed, BCHD will purchase the property and oversee the property management during the lease period.
- j. BCHD's property manager will be responsible for collecting rent and will oversee the overall property maintenance.
- k. BCHD will collect an administration fee of approximately \$25.00 per month, this fee will not be returned. Families will also be responsible for a Maintenance Fee that will be based on the square footage of the home times \$.14 divided by 12 months to determine the monthly fee. (Example:  $1300 \times .14/12 = \$15$ ). If the family does not have any repairs during the lease period the maintenance fee will be returned to the family when they assume the Mortgage.

**The goal of the Bernalillo County Housing Department is to help as many families as possible realize the Dream of Homeownership by taking them from renters to homeowners.**